



STATE OF DELAWARE


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December 17, 2015

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Toni Loper, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF AMERIGREEN ENERGY, INC. FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED AUGUST 24, 2015; FILED DECEMBER 2, 2015) - PSC DOCKET No. 15-1291

Background

On December 2, 2015, AMERIGreen Energy Inc. ("AMERIGreen" or the "Company") submitted an application (the "Application") with the Delaware Public Service Commission ("Commission") for an Electric Supplier Certificate ("ESC") to act as a Broker in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the "Act") and 26 *Del. Admin. C.* §3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").¹

Application

The Company's original filing was submitted on August 24, 2015, but the submitted Application did not meet the minimum filing requirements ("MFR's"). Staff requested the Company file additional documentation on the following: a) a copy of the Delaware business license, b) a list of license numbers for states currently providing services, as well as an update with any additional states where applications are pending, c) a professional resume for each principal officer responsible for Delaware operations, and d) a signed, sworn verification letter for the original Application, as well as all subsequent filings in support of the Application, as required. After further review, Staff requested that the Company file a public version of the confidential Company filed application, as well as a redacted version of the confidentially filed financial statements with attestation.² Follow up documentation from the Applicant was received on December 2, 2015 which addressed all deficiencies and satisfied the MFR's.

¹ Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

² 26 *Del. Admin. C.* § 1001- 1.11.3 of the Rules of Practice and Procedure of the Delaware Public Service Commission requires the party seeking proprietary treatment shall submit for filing one copy of the document without the confidential information, with an indication that claimed confidential information has been deleted.

Review and Analysis

Authority to do Business in Delaware

The Company is incorporated and formed under the laws of the State of Pennsylvania and has provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware.

Resident Agent

The Company supplied the contact information for a Delaware Registered Agent listed in the Application as Robb Tricomi, New Castle, DE.

Compliance with Regional Requirements

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

Financial, Operational, Managerial and Technical Ability

The Company provided confidential financial statements as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules. Staff believes that these financial documents show substantial evidence of the Applicant's ability to provide services as a Broker in the State of Delaware.

The Company anticipates acting as a Broker serving residential, small commercial, large commercial and industrial customers for the sale or purchase of electricity throughout the State of Delaware. The Application states that the Company currently offers service in New York, New Jersey, Pennsylvania, Connecticut, and has a pending application to broker services in Maryland. Staff has confirmed that the Company is licensed in those states. The Application states that the Company has not been denied approval nor had its authority revoked by any state commission. Staff believes that this information shows substantial evidence of the Applicant's operational and technical ability to provide services as a Broker in the State of Delaware.

The Application included a summary of the key operating personnel of the Company. Mr. Jeffrey Lyons, President and CEO, has over 15 years' experience leading a renewable energy distributor which was converted from a petroleum distributor. He was responsible for managing operating costs during intense growth periods, designing strategic business plans, and managed the Company's risk management strategy. Mr. Robert Seth Obetz, President, has 10 years' experience with AMERIGreen and his responsibilities include managing the implementation of an electric and natural gas supply team, forecasting, balancing, and EDI services, hiring and managing a team of industry specialists for heating oil procurement and sales. Mr. Obetz also has held positions where his responsibilities included development of strategic plans, financial oversight, and competitor acquisitions. Staff performed an internet review of the Company and its key operating personnel. The search did not reveal any issues. Staff believes that this information shows substantial evidence of the Applicant's operational, managerial, and technical ability to provide services as a Broker in the State of Delaware.

Surety Bond

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

Verification of Application

The Application and subsequent filings were verified in signed, sworn verification letters by Mr. Jon Loercher, CEO of Electricity and Natural Gas.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company also did not provide any sample contracts for residential or small commercial customers because it is a Broker only and does not and will not have contracts with Retail Electric Customers to provide Electric Supply Service.

Statement of Criminal Activity

The Applicant stated in the Application that they have not been charged or convicted of any criminal activity nor have any of its principals or corporate officers. The Applicant has no affiliated interests. An internet review of the Company and its principals revealed no outstanding issues.

Legal Review

On December 28, 2015, following Staff's completed review and analysis of the Application, Staff forwarded its final analysis to the assigned attorney to confirm that all required documentation requested and received from the Company was in compliance with Delaware law and the Supplier Rules and Regulations.

Staff Recommendation

Based on Staff's review of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The Company resolved all outstanding issues with Staff and the completed Application supports the Company's request for certification. Staff's review and analysis of the Application submitted by the Company demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.